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# HOUSE BILL No. 1445

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-11-9; IC 6-1.1-21.3.

**Synopsis:** Payments in lieu of taxes. Establishes a payment in lieu of property taxes (PILOT) payable by the department of natural resources on land owned by the department based on the amount of property taxes that would apply if the land were not exempt. Establishes the PILOT transfer fund. Makes appropriations.

**Effective:** Upon passage; January 1, 2008 (retroactive).

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January 13, 2009, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE BILL No. 1445

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-11-9 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:  
3 Sec. 9. (a) Except as provided in subsection (b) of this section, all  
4 property otherwise subject to assessment under this article shall be  
5 assessed in the usual manner, whether or not it is exempt from taxation.

6 (b) **Except as provided in IC 6-1.1-21.3-5**, no assessment shall be  
7 made of property which is owned by the government of the United  
8 States, this state, an agency of this state, or a political subdivision of  
9 this state if the property is used, and in the case of real property  
10 occupied, by the owner.

11 SECTION 2. IC 6-1.1-21.3 IS ADDED TO THE INDIANA CODE  
12 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
13 JANUARY 1, 2008 (RETROACTIVE)]:

14 **Chapter 21.3. Payments in Lieu of Property Taxes**

15 **Sec. 1. As used in this chapter, "department" refers to the**  
16 **department of natural resources.**

17 **Sec. 2. As used in this chapter, "PILOT" refers to a payment in**

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lieu of property taxes.

**Sec. 3. A county is entitled in a calendar year to a PILOT from the department for land in the county that is:**

- (1) owned or leased by the department on March 1 of the previous year; and
- (2) exempt from the payment of property taxes.

**Sec. 4. In each calendar year after 2009, the department shall make a PILOT to each county that is entitled to receive a PILOT under section 3 of this chapter at the time the PILOT is due under section 7 of this chapter.**

**Sec. 5. (a) Land described in section 3 of this chapter is subject to assessment as though the land were not exempt from the payment of property taxes.**

**(b) The PILOT required to be paid for a year under section 4 of this chapter for land described in section 3 of this chapter, regardless of how the land is used, equals the product of:**

- (1) the assessed valuation of the land determined under subsection (a); and
- (2) the net property tax rate (after application of any property tax credit that applies equally to property taxes on all tangible property in the taxing district in which the land is located) that:
  - (A) applies in the taxing district in which the land is located for property taxes first due and payable in the year in which the PILOT is payable; and
  - (B) is determined by:
    - (i) treating the assessed valuation of the land determined under subsection (a) as part of the total assessed valuation to which the tax rate applies; and
    - (ii) treating the PILOT the same as property taxes.

**Sec. 6. (a) Not later than September 1 of each year, the auditor of state shall provide the county assessor of each county in which land described in section 3 of this chapter is located with a report of:**

- (1) the number of acres of land described in section 3 of this chapter that are located in each township in the county;
- (2) the parcel numbers or key numbers of the land referred to in subdivision (1); and
- (3) any other information required by the department of local government finance.

**(b) The auditor of state shall provide the report required by subsection (a):**

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(1) on a form prescribed by the department of local government finance; or

(2) with the consent of the department of local government finance, in an electronic format.

**Sec. 7. A PILOT:**

(1) is billed;

(2) is due;

(3) is subject to penalty if unpaid; and

(4) is distributed to a political subdivision in a county;

in the same manner as ad valorem property taxes. A PILOT is otherwise treated in the same manner as an ad valorem property tax for purposes of the procedural and substantive provisions of law.

**Sec. 8. The department of local government finance:**

(1) shall prescribe a form for the report required under section 6 of this chapter; and

(2) may adopt standards for the reporting of information under section 6 of this chapter that are necessary to assist political subdivisions with the implementation of this chapter.

**Sec. 9. (a)** The PILOT transfer fund is established to provide money for the distributions for PILOTS made by the department under section 4 of this chapter. The auditor of state shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

**Sec. 10.** There is continuously appropriated from the state general fund to the PILOT transfer fund established by section 9 of this chapter the amount necessary to make the distributions required by this chapter.

**Sec. 11.** An amount necessary to make the distributions required by this chapter is continuously appropriated from the PILOT transfer fund established by section 9 of this chapter.

**SECTION 3. [EFFECTIVE UPON PASSAGE]** (a) In cooperation with the auditor of state, the department of local government finance shall, not later than August 1, 2009, prescribe a form for the auditor of state to report the information needed to carry out IC 6-1.1-21.3-6, as added by this act.

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1       **(b) This SECTION expires January 1, 2010.**  
2       **SECTION 4. An emergency is declared for this act.**

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